

VZCZCXRO3339
PP RUEHBC RUEHDE RUEHIHL RUEHKUK
DE RUEHGB #2440 2180732
ZNY CCCCC ZZH
P 050732Z AUG 08
FM AMEMBASSY BAGHDAD
TO RUEHC/SECSTATE WASHDC PRIORITY 8672
INFO RUCNRAQ/IRAQ COLLECTIVE

C O N F I D E N T I A L BAGHDAD 002440

SIPDIS

E.O. 12958: DECL: 08/03/2015
TAGS: [ECON](#) [EINV](#) [EFIN](#)
SUBJECT: NATIONAL INVESTMENT COMMISSION LOOKING FOR
EUROPEAN AND REGIONAL INVESTORS

REF: A. BERLIN 1044
[1](#)B. BERLIN 1001

Classified By: Economic Counselor Todd P. Schwartz for reasons 1.4 (b) and (d).

[1](#)1. (C) SUMMARY: Although still not officially confirmed in his position, National Investment Commission (NIC) Chairman-designate Ridha continues to court European and regional investors and insists that he enjoys the PM's full confidence. End Summary.

[1](#)2. (SBU) Presumptive NIC Chairman Ahmed Ridha met with EconCouns and Econoff August 3 at his request. He was eager to brief us on his recent trip to Europe, where he emphasized to senior German and Italian trade officials that Iraq "has changed from a centralized socialist regime to a true market economy." As security continues to improve, Ridha told the Europeans, the NIC wants to help the European business access not just 28 million Iraqi consumers, but also the 200 million in the wider region. Although none of the investors he met were prepared to commit at this point, Ridha will seek to return soon to Europe with a delegation of Iraqi business leaders who can discuss medium- to longer-term investment possibilities.

[1](#)3. (SBU) Closer to home, Ridha described his efforts to attract regional interest more immediate investment opportunities. He plans a visit this month to Lebanon, where there is apparently significant interest in investing in Iraq's hotel sector, and he also suggested that Emirati and Kuwaiti investors have expressed an interest in investing in the hotel, housing and transportation infrastructure sectors. In response to our questions, Ridha also noted that the NIC must seek to encourage "legitimate" Iranian investment, both for economic reasons and because increased business contacts will help encourage Tehran to foster, rather than undermine, Iraqi security. EconCouns also suggested that the NIC begin thinking about engaging actively in seeking to attract international development planners to partner with Iraqi construction companies in promoting rapid development in the housing sector. Ridha noted the hurdles in this area, including land registration issues, but fully agreed that promoting investment of this nature would do much to improve the lives of Iraqis.

[1](#)4. (C) Comment: Ridha continues to talk a pro-active line. However, his effectiveness -- particularly in terms of pushing forward implementing regulations for the new investment law and other enabling legislation -- remains hampered because the Council of Representatives has shown little interest in confirming him as NIC Chairman, and has made little effort to do so. He assured us that he enjoys PM Maliki's full confidence, and that he will continue to work with foreign investors as if he were confirmed. Post will transmit a comprehensive review of recent investment-related activity septel.
CROCKER